



Royal Palm Coast Realtor® Association
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The Wall Street Journal
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July 3, 2025

Subject: Rebuttal to June 30, 2025 Article – “*The Worst Housing Market in America Is Now Florida’s Cape Coral*”

Dear Ms. Acosta,

Royal Palm Coast Realtor® Association and the Florida Gulf Coast Multiple Listing Service, Inc. (MLS) respectfully submit the following response to your article titled “*The Worst Housing Market in America Is Now Florida’s Cape Coral*,” published on June 30, 2025.

Florida Gulf Coast MLS Statement: Contextualizing the Cape Coral Housing Market

As the trusted source for real estate data in Southwest Florida, the Florida Gulf Coast MLS provides objective insights and clarity amidst recent media narratives. A June 30, 2025, article published by *The Wall Street Journal* and widely circulated on MSN labeled Cape Coral as “The Worst Housing Market in America.” However, such a characterization lacks critical context and overlooks the broader dynamics shaping our regional real estate trends.

Market Cycles and Price Normalization

Over the past decade, Southwest Florida has experienced notable appreciation in home values. As of **June 2025**, the median sale price in the region stood at **\$400,000**, identical to the median price **in December 2021**. This reflects a normalization rather than a collapse, particularly when viewed through the lens of post-pandemic price surges driven by unprecedented demand and limited inventory.

In **Cape Coral**, for example, the **June 2025** median sale price was **\$361,975**, compared to **\$355,000** in **October 2021**. These figures underscore a relatively stable pricing trend over the past four years, contrary to headlines suggesting steep declines.

Understanding Supply and Demand in Cape Coral

To properly assess market health, one must consider both **price trends** and **inventory dynamics**. In October 2021, Cape Coral recorded:

- Median home price: **\$369,000**
- Homes for sale: **773**
- Closed sales: **551**
- Pending sales: **611**
- Months supply of inventory: **1.3**
- Sale-to-list price ratio: **100%**

This was a classic seller's market characterized by low inventory and strong buyer demand. By **June 2025**, the picture had shifted:

- Median sale price: **\$371,850**
- Homes for sale: **3,046**
- Closed sales: **447**
- Pending sales: **482**
- Months supply of inventory: **7.3**
- Sale-to-list price ratio: **97.7%**

While inventory has increased significantly, the median price has held steady, and buyer activity remains consistent, albeit at a more sustainable pace.

What Constitutes a Balanced Market?

A "balanced market" typically features **4 to 6 months of inventory**, allowing equilibrium between buyers and sellers. Cape Coral operated within this balance between **February 2023** (3.85 months) and **October 2023** (5.9 months). As of **June 2025**, the market reflects a slight tilt toward buyers with **7.3 months of inventory**, suggesting more options but not distress.

Lee County Snapshot: A Regional Perspective

Cape Coral is one part of a larger regional market that includes **Fort Myers, Sanibel, Estero, Bonita Springs, and Lehigh Acres**. As of **June 2025**:

- Homes for sale in Lee County: **8,204**
- Median sale price: **\$380,000**
- October 2021 comparison: 1,997 homes for sale, median sale price of **\$365,000**



Despite the growth in inventory, prices have remained resilient across the county, signaling continued demand and value retention.

Foreclosure Activity Remains Low

Contrary to assumptions often tied to a “declining” market, distressed properties have not surged. As of **July 2, 2025**, only **27 homes** in the MLS are listed as foreclosures, with **76 foreclosure sales** recorded in the past 12 months. This minimal activity reinforces that the market is stabilizing, not collapsing.

Construction and Permitting Activity

Lee County issued **762 residential permits in May 2025**, representing a **6% year-over-year decrease** and a **23% drop from April**. For the **first quarter of 2025**, the county issued **2,520 new residential permits**, also down **6% year-over-year**, according to the *Florida Residential Construction Report – Q1 2025*. This slowdown in new builds may help recalibrate supply and support market equilibrium.

Conclusion: A Market in Transition, Not in Trouble

The Southwest Florida housing market, particularly Cape Coral, is transitioning from a historically tight seller’s market into one where buyers have more choice and negotiating power. This is a **natural correction**, not a collapse.

As the Florida Gulf Coast MLS, we remain committed to providing accurate, data-driven insights that reflect true market conditions. We encourage consumers, media outlets, and real estate professionals alike to consider comprehensive data rather than isolated narratives when evaluating the health of our housing market.

We encourage consumers who are looking to buy or sell a home to work with a local Realtor®. Realtors® offer expert, up-to-date insights into neighborhood market conditions and can help buyers and sellers make informed, confident decisions. By consulting a trusted real estate professional, consumers gain a realistic understanding of current housing trends and opportunities.

We welcome the opportunity to engage in a more in-depth discussion with you to provide further context for a future article or follow-up piece.

Sincerely,

Karen Borrelli

Karen Borrelli
2025 President
Royal Palm Coast Realtor® Association

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